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FISCAL IMPACT STATEMENT

LS 6854

BILL NUMBER: HB 1298

NOTE PREPARED: Mar 30, 2011

BILL AMENDED: Feb 17, 2011

SUBJECT: Professional Licensing Issues.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR: Sen. Miller

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Accountant Amnesty*: The bill creates a one (1) year amnesty program for accountants who failed to renew their licenses and meet certain requirements.

Terminology Change: The bill changes the phrase "quality review" to "peer review" for purposes of the laws governing public accountancy beginning July 1, 2012.

Use of Peer Reviews: The bill permits a peer review rating of fail to be used in disciplining a certified public accountant or public accounting firm after June 30, 2012. The bill indicates that a law requiring the State Accountancy Board to initiate a complaint with the Office of the Attorney General (AG) to discipline a licensee does not prohibit the Accountancy Board from taking other actions permitted by law.

Client Records: The bill specifies that certain client records must be returned to a client within 45 days after a request for the records is made.

Civil Immunity: The bill provides civil immunity to a person engaged in a quality review or peer review or administering a quality review or peer review program.

Physician Assistants: The bill removes geographical locations that a supervising physician must be located within. The bill allows the Medical Licensing Board to deny supervisory agreements. (Current law requires the board to approve supervisory agreements.)

Prescribing Drugs: The bill removes certain limitations on physician assistants (PA) prescribing and dispensing certain drugs and controlled substances. The bill requires that the supervising physician or

physician designee review specified percentages of PA patient encounters within 72 hours based on the PAs years of practice. The bill allows for electronic prescriptions from a practitioner for certain drugs.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) *Accountant Amnesty:* The Professional Licensing Agency (PLA) would have to oversee an amnesty program that would allow accountants that did not renew their license between January 1, 2003, and June 30, 2011, to be renewed as long as the accountants meet the requirements of the bill. The amnesty program would have a duration of one fiscal year: July 1, 2011, to June 30, 2012.

The bill would charge an amnesty fee in addition to the missed renewal fees, current renewal fee to each qualifying accountant wishing to renew. The amount of expenditures necessary to implement this provision is unknown and would depend on the number of persons seeking license renewal under the proposed amnesty program.

(Revised) *Use of Peer Reviews:* The impact of this provision would depend on the number of failing “peer reviews” reported to the AG. If the provision requires more business meetings of the Accountancy Board to decide further disciplinary matters, board members could receive additional per diem and traveling expenses.

With respect to the AG, the bill does not provide an appropriation, therefore any additional peer review complaints the AG investigated and/or prosecuted would have to be accomplished within existing resources.

(Revised) *Client Records:* Accountants not following the requirements of this provision, if reported, could be disciplined by the Accountancy Board. The Accountancy Board may suspend, revoke, reprimand, or place on probation an accountant’s license. The impact of this provision would depend on the number of complaints received and Board action.

(Revised) *Physician Assistants:* The Medical Licensing Board may require additional time to consider the rejection of an applicants’ requests to change or add a supervising physician. This provision could reduce the amount of time the MLB would have to devote to other board business.

Explanation of State Revenues: (Revised) *Accountant Amnesty:* Each accountant eligible to renew under the amnesty program would have to pay a \$100 amnesty fee in addition to all other fees mentioned above. Amnesty fee revenue would be placed in the Accountant Investigative Fund (AIF). Revenue in the AIF does not revert to the state General Fund at the end of a state fiscal year. The amount of revenue the amnesty fee (to the AIF) and regular renewal fees (to General Fund) could generate under this provision is unknown and would depend on the eligible number of persons applying.

It is unknown, how many accountants would be eligible for renewal under the proposed amnesty program.

(Revised) *Use of Peer Reviews:* State revenue generated by licensing fees of accountants may decline if fewer accountants or accountancy firms were allowed to be issued or renew their licenses. Any reduction in fee revenue would depend on Accountancy Board and AG action. All revenue from licensing fees for accountants is placed in the state General Fund.

(Revised) *Client Records:* Accountants not following this provision could have civil penalties imposed by the Accountancy Board. Any civil penalties imposed could not be more than \$1,000 per violation.

Background: The fee structure for accountants is on a three-year-cycle. Revenue collected from accountant licensing fees totaled \$84,923 in FY 2008, \$672,277 in FY 2009, and \$263,910 in FY 2010. As of September 15, 2010, there were 10,699 certified public accountants, 79 public accountants, 1,119 accountancy firms, and 321 accountancy professional corporations licensed by the Professional Licensing Agency.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency, Medical Licensing Board, Attorney General.

Local Agencies Affected:

Information Sources: Professional Licensing Agency, active licenses count 9/15/2010; State Budget Agency, Auditor's database.

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